

OFFICE OF THE TREASURER

P.O. Box 942809
Sacramento, CA 94209-0001
(800) 900-3873
www.treasurer.ca.gov



The Treasury Note

A monthly newsletter of Municipal Finance
January 1, 2000

Recent State Bond Sales

If you are interested in purchasing the bonds mentioned below, please contact your broker.

California State University Housing System Revenue Bonds and Pomona Student Union Revenue Bonds

Using a competitive on-line bid process, the State sold two separate series of revenue bonds totaling \$41,905,000 for California State University (CSU). CSU accepted bids through Dalcomp's on-line system PARITY. This marks the first time CSU has accepted bids in an on-line format. Merrill Lynch & Co., Banc of America Securities LLC, Fidelity Capital Markets, Salomon Smith Barney, PaineWebber Incorporated, and J.P. Morgan Securities Inc. submitted bids for the \$39,840,000 CSU Housing System (Series AY) bonds. Merrill Lynch & Co. won the bid with the lowest true interest cost of 5.7805 percent.

Salomon Smith Barney submitted the only bid for the \$2,065,000 California State Polytechnic University, Pomona (Series B) bonds at a true interest cost of 5.5502 percent.

FGIC insured the Series AY bonds and AMBAC insured the Series B bonds. Standard & Poor's and Moody's Investors Service rated both bond series AAA and Aaa, respectively.

Orrick, Herrington & Sutcliffe LLP and the Law Office of Pamela S. Jue served on both sales as co-bond counsel. Kelling, Northcross & Nobriga provided financial advisory services for both sales.

CSU will use the Series AY bond funds to finance construction of residential suites and a residential dining complex at the San Diego campus. The Series B Bonds will fund the renovation of the student union at the Pomona campus.

\$500 Million General Obligation Bonds

On December 1, 1999, the State sold \$500 million in general obligation bonds. Of the \$500 million sold, \$441.5 million will support education, including new construction and renovation for schools; \$58.5 million will support clean air, water conservation, and safe drinking water programs.

The bonds were sold in a competitive sale, with Merrill Lynch & Co., Lehman Brothers, and Banc of America Securities LLC submitting bids. Merrill Lynch & Co. won the bid with a lower true interest cost of 5.5867 percent. The three major rating agencies, Fitch IBCA, Inc., Moody's Investor Service, and Standard & Poor's, rated the bonds AA-, Aa3, and AA-, respectively.

Orrick, Herrington & Sutcliffe LLP and the Law Offices of Marilyn L. Garcia served as co-bond counsel. Brown & Wood LLP served as disclosure counsel. Public Resources Advisory Group provided financial advisory services.

Bond Counsel & Financial Advisor Pools

The 1999-2001 bond counsel and financial advisory pool members have been announced. For a complete list of members for each pool, visit our website (www.treasurer.ca.gov) or call (800) 900-3873.

Coming Next Month...

The Governor's Budget
UCLA Economic Forecast

Listing of Redemptions

This listing reflects redemptions officially announced as of January 1, 2000.

California Housing Finance Agency, Multi-Family Revenue Bonds, 1979 Series B, Dated Date: November 1, 1979 (Partial Redemption). \$55,000 of the bonds maturing February 1, 2004 will be redeemed February 1, 2000.

California Housing Finance Agency, Multi-Family Rehabilitation Revenue Bonds, 1983 Series A, Dated Date: December 1, 1983 (Full Redemption).

All bonds will be redeemed on February 1, 2000.

For questions regarding the purpose or timing of these calls, or for redemption or registration information, please call (800) 900-3873.

Information & Assistance

To receive *The Treasury Note* newsletter monthly, enroll for direct deposit of your payments, or for bond-related questions, please call (800) 900-3873.

Bond Sales Calendar*

The calendar below is an advance schedule of bond sales for the first half of 2000. More definitive dates will be published as they become available. For up to the minute information, check our website (www.treasurer.ca.gov) or call (800) 900-3873. If you are interested in purchasing any of these bonds, please contact your broker two weeks before the sale date.

BOND SALES	AMOUNT	SALE DATE
Various Purpose General Obligation Bonds	\$500 million	February 2000
Department of Veterans Affairs, Home Purchase Revenue Bonds	\$100-150 million	March 2000
State Public Works Board, Department of Corrections and Youth Authority Lease Revenue Bonds	\$45 million	Spring 2000
Various Purpose General Obligation Bonds	\$500 million	Spring 2000
Department of Veterans Affairs, General Obligation Bonds	\$60-100 million	April 2000

***Subject to change without notice. Updates can be obtained at www.treasurer.ca.gov**

For Your Information

If you received a redemption payment from our office in 1999, you will receive a 1099-B notice. If you have received taxable interest payments from our office in 1999, you will receive a Form 1099-INT. Our office will mail out both of these forms on or before January 31, 2000. Please call the *Bondholder Services Section* at (800) 900-3873 if you have questions regarding the 1099-B notice or Form 1099-INT.

Frequently Asked Questions

Q: Do I have to submit a Form W-9 every time one of my bonds matures or is called for early redemption?

A: Yes, under Federal law we are required to have the correct Taxpayer Identification Number before making any principal payments. To ensure that we are reporting accurate information to the Internal Revenue Service we require a newly executed Form W-9 for each payment we make to bondholders.